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C O N F I D E N T I A L KATHMANDU 000138

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DEPT FOR SA/INS

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TAGS: [PREL](#) [PGOV](#) [PTER](#) [NP](#)
SUBJECT: AMBASSADOR DISCUSSES CURRENT POLITICAL SITUATION
WITH BRITISH, INDIAN AND EU COUNTERPARTS

REF: A. KATHMANDU 107
[1](#)B. KATHMANDU 123

Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d).

Ambassadors Agree On King's Plan, but Not On Maoists'

[1](#)1. (C) On January 12, the Ambassador separately discussed the current political situation in Nepal with British Ambassador Keith Bloomfield, Indian Ambassador Shiv Mukherjee, and Finnish CDA Pauli Mustonen who represents the European Union in Nepal for the next year (now on Austria's behalf, then for Finland itself). All agreed that the King planned to create a pro-King party to field candidates in the municipal elections, then to appoint a pro-Palace "all party" government to bolster the legitimacy of his rule and prepare for parliamentary elections which would presumably result in a pro-Monarchy legislative branch. However, there was some disagreement as to the Maoists' real intentions, with the Finn expressing his belief that the Maoists were seeking to rejoin the politicians. The Ambassador highlighted Maoist deputy Dr. Baburam Bhattarai's January 4 reiteration (ref A) that "to achieve a democratic republic both armed and unarmed struggles" in the villages and cities must be used, stressing that Bhattarai clearly explained that the Maoists' goal was an armed revolution in Nepal, toppling the King.

India To Prevent A Maoist Takeover...

[1](#)2. (C) Drawing the line on violence, Mukherjee said he had conveyed to both the Parties and the Maoists (through interlocutors), that they should have no illusion that India would allow the Maoists to take over Nepal. He had earlier explained to the Parties that any support by India to them "would evaporate" if the Parties supported Maoist violence, especially in the run-up to the municipal elections scheduled for February 8. Mukherjee outlined a scenario in which the Maoists would give up weapons for a chance to participate in elections to a constituent assembly, rehabilitation for cadre, and guarantees of no prosecution for war crimes. He opined that if the price of such a scenario was a constituent assembly, it was acceptable because such an assembly could help Nepal work on a myriad of outstanding issues that had led to the start of the insurgency. The Ambassador reviewed

for Mukherjee the scenario that the Maoists appeared to be pursuing, which would result in their coming to power without pursuing a negotiated settlement or laying down arms. The Ambassador asked how India planned to influence a coalition government between the seven parties and the Maoists if the Maoists retained their weapons.

...Not By Closing the Border But By Possible Military Intervention

13. (C) Noting the open border, the Ambassador asked Mukherjee what India would do in the event the Maoists and political parties succeeded in toppling the King and the Maoists dominated the successor government, with minimal Party participation. Mukherjee categorically said that India could not close the border as it had in 1989, as that would hurt the people of Nepal. However, he said there would be considerable support in India for military intervention in Nepal. When the Ambassador asked how China would react in such a scenario, Mukherjee paused and did not have a ready answer. Mukherjee undertook, in the next few weeks, to again stress to the Parties that they should publicly and privately tell the Maoists that violence was unacceptable.

Future Actions

14. (C) The Ambassador told his counterparts that he was seeking Washington guidance (ref B) to ask the government to postpone the municipal elections and to call for a cease-fire. Both Mukherjee and Bloomfield welcomed this proposal. They said that Home Minister Thapa had told them that the government had been close to calling a cease-fire in

December, but that the announcement of the Maoist action plan at that point had dissuaded the government from that course. Mustonen suggested that the first priority now should be a peace process. The Ambassador countered that he had seen no indication that the Maoists wanted peace, and suggested the first course was to persuade the King to reconcile with the Parties. Bloomfield stated that he was urging the Parties to condemn Maoist violence. He gave no substantive reaction to the Ambassador's suggestion that India should perhaps consider acting against Maoists in India. The Ambassador also raised with Mukherjee the proposal that India tighten its border and make it more difficult for Maoists to operate out of Indian territory. Mukherjee noted that India had arrested a Maoist recently in Darjeeling and had newly completed raising an additional 45 battalions for border security. He also said that when he visited New Delhi on January 16, he would discuss scheduling a security conference with state governments bordering Nepal to focus on improving border security.

Comment

15. (C) Despite the vagaries of the King and his government, the international community must be ready to condemn escalating Maoist violence and must continue to push Nepal's legitimate parties to do the same. It was reassuring to see that the UK and Indian Ambassadors here appear willing to do exactly this.

MORIARTY